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REPORT STEADY IMPROVEMENT IN RUBBER INDUSTRY

The industry has taken a turn for the better, as reflected in higher quality and output in Tientsin and Dairen. Planned development of Hainan rubber sources will secure domestic supply in the future. Problems persist in the small industrial plants, however, largely through the continuance of inferior production, overproduction of nonessential products, and general inadequancies in administration and control.

TIENTSIN RUBBER INDUSTRY ADVANCES RAPIDLY -- Tientsin, Jih-pao, 13 Oct 50

Production and marketing conditions within the rubber industry in Tientsin have begun to improve during the past month or so. In August 1950, the industry produced 157,655 A inches /sic/ of V-belting /literally, triangular belting/ and marketed 168,320 A inches. In September, production rose to 466,450 A inches and the amount marketed came to 3[illegible],511 A inches. Such essential production materials as rubber tubing and flat belting were supplied either in balance with the demand or in insufficient quantities.

In July, the industry produced 176,139 pairs of rubber shoes and marketed 161,977 pairs. In September, the industry produced 211,966 pairs and marketed 170,651 pairs. However, since marketing channels had not been completely opened up, the production figures for most of the products did not reach the quotas set at the National Rubber Industries Conference.

Many private plants are improving their administration, in keeping with the spirit of the National Rubber Industries Conference, and raising the quality and quantity of their production. From the outset, Nan-yang, Ta-lu, and Yu-te plants stressed the manufacture of production materials. Because of excellent marketing conditions, the Nan-yang Rubber Plant made a profit of over 40 million yuan in September from the manufacture of rubber rollers for rice-hulling mills. At the end of July, the Ta-lu Rubber Plant had an accumulation of some 200 cases

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of rubber shoes because marketing conditions were so unfavorable. In September, Tai-lu converted to the production of electrical wire and the situation improved. Since Ta-lu began operations, it has taken on 11 additional temporary workers and sent out four salesmen. The Kuo-hua Rubber Plant has altered its business policies and improved its product. In September, it produced over 9,300 pairs of rubber shoes and marketed over 7,500 pairs.

The Commodity Inspection Committee has been established, under the control of the /Tientsin/ Municipal Bureau of Industry and Commerce, to guarantee the standards for raw materials set by the National Rubber Industries Conference. The committee will first inspect shoes, so that the quota of military shoes for certain military districts may be met. The Technical Research Committee has been established, with the support of the Light Industries Labor Union, to settle echnical problems and raise the quality of rubber products.

The 15 plants which have contracted to produce rubber soles for certain military districts are rapidly improving the quality of their product. Two of these plants -- Ch'ang-ch'eng and Tung-fang -- have already set up a system of inspection. Nan-yang, Ch'ang-ch'eng, and Ta-lu have held labor-management meetings. Nan-yang has also awarded prizes to persons suggesting plant improvements. The Huan-ch'iu plant is installing additional equipment to meet the increased demands.

DAIREN YU-MIN RUBBER PRODUCTS IMPROVED -- Dairen, Jen-min Jih-pao, 23 Oct 50

As a result of overproduction and unsound business policies, the Yü-min Rubber Plant had a surplus accumulation of 150,000 pairs of rubber shoes in August 1949. Yü-min's losses for the year came to 25 billion yuan. The Industrial Office ordered Yü-min to halt operations in August 1949. The plant resumed operations in November 1949, after considerable research into processing techniques, cadre reorganization, raw material supplies, and the like, which resulted in the solution of the major problems. Stricter enforcement of inspection and delivery systems further raised the quality of the product. The tensile strength of the rubber rose from 1.3 kilograms per square millimeter to 1.6 kilograms per square millimeter, and the abrasion resistance proved superior to that of Shanghai rubber. Production increased more than 30 percent. The man-day production of work shoes has risen from 22 pairs to 35 pairs.

DEVELOP HAINAN RUBBER SOURCES -- Peiping, Kuang-ming Jih-pao, 15 Oct 50

Hai-k'ou, 14 October (Hsin-hua) -- The rubber industry of Hainan Island is gradually recovering, and preparations are being made for large-scale development. Formerly, some 590,000 trees had been planted on Hainan, over an area of 24,000 mou. About 30,000 of these trees were on publicly operated plantations. The public plantations resumed operations and yielded rubber soon after the liberation. Complete recovery is predicted for private plantations by the end of November 1950.

Because of KMT mismanagement, only 360,000 trees yield rubber today. The yearly capacity is 450-500 tons.

According to estimates, 21 million mou of Hainan land is suitable for rubber trees. It would be possible to plant 526.5 million trees in this area, raising the yearly rubber output to 700,000 tons.

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With the help of the People's government, the quality of the rubber from An-ting-shih-pi, the island's major producing area, has improved 30 percent. The Department of Agriculture and Forestry, Hainan Military and Administrative Committee, plans to order a large shipment of rubber machinery, to be lent to the growers, and to build chambers for smoking rubber.

During the past few months, the Kwangtung People's government sent an investigating group to Hainan to conduct detailed surveys and studies. Estimates for 1951 call for the planting of 900,000 trees, culled from cultivated and wild plants. Public and private plantations also plan to select and cultivate 4.5 million plants. Development of the rubber industry on Hainan is further being speed through investments sent back from wealthy overseas Chinese engaged in rubber production in the South Seas.

PROBLEMS PERSIST IN RUBBER INDUSTRY -- Tientsin, Jih-pao, 13 Oct 50

Although conditions within the rubber industry have begun to improve, three problems demand attention for the future development of the industry:

1. The National Rubber Industries Conference has clearly pointed out that small shops, where production facilities are inadequate, should merge their administration. (Tientsin has over 70 such shops, or 62 percent of the plants in the city.) But these small shops are planning no such move at present. They continue to produce inferior products with inadequate equipment. This stiuation demands urgent improvement.

2. The conference has attempted to encourage specialized production to facilitate completion of quotas in essential products. Yet, very many shops still produce a number of secondary products. Only two plants out of every three are producing livelihood products. This ratio is detrimental to the national economy.

3. A large number of plants maintain unsound systems of administration and control. Inspection of products is inadequate, and administrators lack even an ordinary grasp of knowledge about production equipment and marketing conditions. There is also a considerable lack of insight into production controls.

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